

102 - Dept of Financial Institutions

A001 Agency Management and Administrative Services

The Division of Administration provides administrative and advisory services for the Department of Financial Institutions. These services include policy and legal advice, human resources, financial and budgeting functions.

	FY 2010	FY 2011	Biennial Total
FTE's	8.3	8.3	8.3
GFS	\$0	\$0	\$0
Other	\$1,175,000	\$1,068,000	\$2,243,000
Total	\$1,175,000	\$1,068,000	\$2,243,000

Statewide Result Area: Improve the economic vitality of businesses and individuals

Statewide Strategy: Regulate the economy to ensure fairness, security and efficiency

Expected Results

Provide quality leadership and administrative services in support of the agency's mission.

A002 Chartering, Licensing and Registration

The Department of Financial Institutions evaluates and approves new applications, mergers, conversions, branches, and corporate governance changes for banks and credit unions. The department also conducts licensing, registration, and exemption activities for financial entities, such as broker dealers, investment advisers, securities issuers, escrow officers, mortgage brokers and loan originators, payday lenders, money transmitters, currency exchangers, and consumer loan companies.

	FY 2010	FY 2011	Biennial Total
FTE's	31.1	31.1	31.1
GFS	\$0	\$0	\$0
Other	\$3,022,000	\$3,290,000	\$6,312,000
Total	\$3,022,000	\$3,290,000	\$6,312,000

Statewide Result Area: Improve the economic vitality of businesses and individuals

Statewide Strategy: Regulate the economy to ensure fairness, security and efficiency

Expected Results

Appropriation Period: 2009-11 Activity Version: 2C - 2009-11 Enacted Recast

Average number of business days to process and issue a license.				
Biennium	Period	Target	Actual	Variance
2009-11	8th Qtr	10		
	7th Qtr	10		
	6th Qtr	10		
	5th Qtr	10		
	4th Qtr	10		
	3rd Qtr	10		
	2nd Qtr	10		
	1st Qtr	10		
2007-09	8th Qtr	10	14.6	4.6
	7th Qtr	10	18.9	8.9
	6th Qtr	10	25.5	15.5
	5th Qtr	10	26.3	16.3
	4th Qtr	10	19.1	9.1
	3rd Qtr	10	21.3	11.3
	2nd Qtr	10	17.7	7.7
	1st Qtr	10	102.3	92.3
2005-07	8th Qtr	5	21.5	16.5
	7th Qtr	5	25.75	20.75
	6th Qtr	5	1.97	(3.03)
	5th Qtr	5	1.5	(3.5)
	4th Qtr	5	2.44	(2.56)
	3rd Qtr	5	2	(3)
	2nd Qtr	5	2.81	(2.19)
	1st Qtr	5	2	(3)
<i>Licenses issued to mortgage brokers, loan originators, consumer loan companies, check cashers and sellers, payday lenders, money transmitters, and escrow agents and officers. The 07-09 target increase is due to 2006 legislation requiring loan originator licensing. In FY 2007, DFI received an unprecedented 15,000 license applications. The FY 2009 transition to the Nationwide Mortgage Licensing System required DFI staff to scrutinize and rectify thousands of new records.</i>				

Appropriation Period: 2009-11 Activity Version: 2C - 2009-11 Enacted Recast

Number of licensees.				
Biennium	Period	Target	Actual	Variance
2009-11	8th Qtr	178,414		
	7th Qtr	178,414		
	6th Qtr	178,414		
	5th Qtr	178,414		
	4th Qtr	178,414		
	3rd Qtr	178,414		
	2nd Qtr	178,414		
	1st Qtr	178,414		
2007-09	8th Qtr	167,706	188,635	20,929
	7th Qtr	167,706	195,967	28,261
	6th Qtr	167,706	192,360	24,654
	5th Qtr	167,706	200,457	32,751
	4th Qtr	167,706	196,981	29,275
	3rd Qtr	167,706	202,786	35,080
	2nd Qtr	167,706	206,904	39,198
	1st Qtr	167,706	205,159	37,453
<i>All Divisions.</i>				
<i>Does not include branches or delegates of licensees; includes individuals who are licensed and companies that are licensed.</i>				

Appropriation Period: 2009-11 Activity Version: 2C - 2009-11 Enacted Recast

Turnaround time in business days for initial response to securities and franchise registration applicants.				
Biennium	Period	Target	Actual	Variance
2009-11	8th Qtr	12		
	7th Qtr	12		
	6th Qtr	12		
	5th Qtr	12		
	4th Qtr	12		
	3rd Qtr	12		
	2nd Qtr	12		
	1st Qtr	12		
2007-09	8th Qtr	15	11.8	(3.2)
	7th Qtr	15	10.4	(4.6)
	6th Qtr	15	11.1	(3.9)
	5th Qtr	15	14.5	(0.5)
	4th Qtr	15	21.8	6.8
	3rd Qtr	15	11.9	(3.1)
	2nd Qtr	15	11.4	(3.6)
	1st Qtr	15	10.6	(4.4)
2005-07	8th Qtr	20	9.9	(10.1)
	7th Qtr	20	8.9	(11.1)
	6th Qtr	20	8.4	(11.6)
	5th Qtr	20	9.6	(10.4)
	4th Qtr	20	13.7	(6.3)
	3rd Qtr	20	9.4	(10.6)
	2nd Qtr	20	9.7	(10.3)
	1st Qtr	20	8.9	(11.1)
Respond in a timely manner to licensing and registration applications. Types of licenses issued are related to the securities services industry.				

A003 Education and Public Outreach

The Department conducts education and outreach activities for consumers and stakeholders. Activities include presentations, town meetings, and press conferences addressing consumer and industry concerns; Internet-based information; and interactive programs.

	FY 2010	FY 2011	Biennial Total
FTE's	3.0	3.0	3.0
GFS	\$0	\$0	\$0
Other	\$773,000	\$726,000	\$1,499,000
Total	\$773,000	\$726,000	\$1,499,000

Appropriation Period: 2009-11 Activity Version: 2C - 2009-11 Enacted Recast

Statewide Result Area: Improve the economic vitality of businesses and individuals
Statewide Strategy: Regulate the economy to ensure fairness, security and efficiency

Expected Results

Percentage of consumers who rate Department of Financial Institutions outreach program and materials as helpful.				
Biennium	Period	Target	Actual	Variance
2009-11	8th Qtr	85%		
	7th Qtr	85%		
	6th Qtr	85%		
	5th Qtr	85%		
	4th Qtr	85%		
	3rd Qtr	85%		
	2nd Qtr	85%		
	1st Qtr	85%		
2007-09	8th Qtr	85%	0%	(85)%
	7th Qtr	85%	96%	11%
	6th Qtr	85%	88%	3%
	5th Qtr	85%	100%	15%
	4th Qtr	85%	88%	3%
	3rd Qtr	85%	0%	(85)%
	2nd Qtr	85%	76%	(9)%
	1st Qtr	85%	75%	(10)%
2005-07	8th Qtr	85%	85%	0%
	7th Qtr	85%	85%	0%
	6th Qtr	85%	0%	(85)%
	5th Qtr	85%	82%	(3)%
	4th Qtr	80%	81%	1%
	3rd Qtr	80%	78%	(2)%
	2nd Qtr	80%	75.3%	(4.7)%
	1st Qtr	80%	88%	8%
Expand consumer education/outreach and raise awareness of Department of Financial Institutions.				
Q8 2007-2009 Biennium data unavailable due to an infiltration of spam bots. We are in the process of purchasing a system that will allow us to do immediate real time surveys during presentations.				
Q3 2007-2009 Biennium data corrupted and unavailable due to bot spam.				
Q6 2005-2007 Biennium data unavailable due to data corruption issue.				

A004 Enforcement

The Department conducts various types of supervisory, surveillance, and enforcement activities to detect and take corrective action for violations of the regulatory and anti-fraud statutes applicable to financial institutions. Activities include processing complaints, doing investigations, and taking appropriate actions against banks, credit unions, and other financial entities. Additional enforcement functions include coordination and assistance to other law enforcement agencies and prosecutors and providing testimony in courts of law.

	FY 2010	FY 2011	Biennial Total
FTE's	43.7	43.7	43.7
GFS	\$0	\$0	\$0
Other	\$5,376,000	\$5,449,000	\$10,825,000
Total	\$5,376,000	\$5,449,000	\$10,825,000

Statewide Result Area: Improve the economic vitality of businesses and individuals

Statewide Strategy: Provide consumer protection

Expected Results

Appropriation Period: 2009-11 Activity Version: 2C - 2009-11 Enacted Recast

Average number of business days to review consumer complaints.				
Biennium	Period	Target	Actual	Variance
2009-11	8th Qtr	75		
	7th Qtr	75		
	6th Qtr	75		
	5th Qtr	75		
	4th Qtr	75		
	3rd Qtr	75		
	2nd Qtr	75		
	1st Qtr	75		
2007-09	8th Qtr	90	38.8	(51.2)
	7th Qtr	90	84.3	(5.7)
	6th Qtr	90	62	(28)
	5th Qtr	90	42	(48)
	4th Qtr	90	84	(6)
	3rd Qtr	90	43	(47)
	2nd Qtr	90	57.1	(32.9)
	1st Qtr	90	61.6	(28.4)
2005-07	8th Qtr	120	127	7
	7th Qtr	120	139	19
	6th Qtr	120	124	4
	5th Qtr	120	140	20
	4th Qtr	120	167	47
	3rd Qtr	120	209	89
	2nd Qtr	120	123	3
	1st Qtr	120	135	15
<p><i>Enhance protection for consumers engaging in investments and other financial transactions.</i></p> <p><i>This became a combined measure on July 1, 2007 for the 2007-2009 Biennium. The actual reported is a weighted average based on volume of complaints reviewed between the Divisions of Securities and Consumer Services. Q1-Q4 have been changed for the Division of Consumer Services. Actuals had been mistakenly reported for a previous 120 target. Data now reflects the correct 90 target.</i></p>				

Appropriation Period: 2009-11 Activity Version: 2C - 2009-11 Enacted Recast

Number of Complaints Received Per Quarter.				
Biennium	Period	Target	Actual	Variance
2009-11	8th Qtr	531		
	7th Qtr	531		
	6th Qtr	531		
	5th Qtr	531		
	4th Qtr	531		
	3rd Qtr	531		
	2nd Qtr	531		
	1st Qtr	531		
2007-09	8th Qtr	501	730	229
	7th Qtr	501	649	148
	6th Qtr	501	1,131	630
	5th Qtr	501	714	213
	4th Qtr	501	796	295
	3rd Qtr	501	883	382
	2nd Qtr	501	801	300
	1st Qtr	501	801	300
<i>All Divisions.</i>				

Appropriation Period: 2009-11 Activity Version: 2C - 2009-11 Enacted Recast

Number of Enforcement Actions Taken Per Year.				
Biennium	Period	Target	Actual	Variance
2009-11	8th Qtr	50		
	7th Qtr	50		
	6th Qtr	50		
	5th Qtr	50		
	4th Qtr	50		
	3rd Qtr	50		
	2nd Qtr	50		
	1st Qtr	50		
2007-09	8th Qtr	50	82	32
	7th Qtr	50	60	10
	6th Qtr	50	83	33
	5th Qtr	50	83	33
	4th Qtr	50	84	34
	3rd Qtr	50	110	60
	2nd Qtr	50	171	121
	1st Qtr	50	102	52
2005-07	8th Qtr	200	215	15
	7th Qtr	0	128	128
	6th Qtr	0	64	64
	5th Qtr	0	32	32
	4th Qtr	200	146	(54)
	3rd Qtr	0	114	114
	2nd Qtr	0	75	75
	1st Qtr	0	44	44
<p><i>Enhance protection for consumers engaging in investments and other financial transactions.</i></p> <p><i>In 2005-2007 this performance measure became a combined performance measure for the Divisions of Securities and Consumer Services.</i></p>				

A005 Examinations

The department performs several types of examinations. The three primary examinations are compliance and for-cause examinations of financial entities; safety and soundness examinations of banks, credit unions, debenture companies, money transmitters, trust companies, Small Business Association (SBA) lenders, and industrial development corporations; and information system examinations of banks and credit unions.

Appropriation Period: 2009-11 Activity Version: 2C - 2009-11 Enacted Recast

	FY 2010	FY 2011	Biennial Total
FTE's	100.1	100.1	100.1
GFS	\$0	\$0	\$0
Other	\$11,361,000	\$11,957,000	\$23,318,000
Total	\$11,361,000	\$11,957,000	\$23,318,000

Statewide Result Area: Improve the economic vitality of businesses and individuals

Statewide Strategy: Regulate the economy to ensure fairness, security and efficiency

Expected Results

Number of examinations per quarter.				
Biennium	Period	Target	Actual	Variance
2009-11	8th Qtr	136		
	7th Qtr	136		
	6th Qtr	136		
	5th Qtr	136		
	4th Qtr	136		
	3rd Qtr	136		
	2nd Qtr	136		
	1st Qtr	136		
2007-09	8th Qtr	128	218	90
	7th Qtr	128	181	53
	6th Qtr	128	171	43
	5th Qtr	128	170	42
	4th Qtr	128	157	29
	3rd Qtr	128	142	14
	2nd Qtr	128	146	18
	1st Qtr	128	155	27
All Divisions.				

Appropriation Period: 2009-11 Activity Version: 2C - 2009-11 Enacted Recast

Percentage of banking assets held at institutions with satisfactory ratings.				
Biennium	Period	Target	Actual	Variance
2009-11	8th Qtr	95%		
	7th Qtr	95%		
	6th Qtr	95%		
	5th Qtr	95%		
	4th Qtr	95%		
	3rd Qtr	95%		
	2nd Qtr	95%		
	1st Qtr	95%		
2007-09	8th Qtr	95%	20.9%	(74.1)%
	7th Qtr	95%	35%	(60)%
	6th Qtr	95%	43.6%	(51.4)%
	5th Qtr	95%	72.8%	(22.2)%
	4th Qtr	95%	96.8%	1.8%
	3rd Qtr	95%	98.3%	3.3%
	2nd Qtr	95%	99.3%	4.3%
	1st Qtr	95%	99.3%	4.3%
2005-07	8th Qtr	95%	99.3%	4.3%
	7th Qtr	95%	98.7%	3.7%
	6th Qtr	95%	98.7%	3.7%
	5th Qtr	95%	98.7%	3.7%
	4th Qtr	95%	98.7%	3.7%
	3rd Qtr	95%	96%	1%
	2nd Qtr	95%	96%	1%
	1st Qtr	95%	94%	(1)%
<p><i>Washington State chartered depository institutions have been negatively impacted by the disruptions in the global credit and capital markets. These disruptions have decreased liquidity and capital sources traditionally available to institutions. At the same time, institutions with significant credit exposure to land development and construction lending have been hurt by the downturn in the Northwest's residential real estate market.</i></p>				

Appropriation Period: 2009-11 Activity Version: 2C - 2009-11 Enacted Recast

Percentage of banks with satisfactory examination ratings.				
Biennium	Period	Target	Actual	Variance
2009-11	8th Qtr	90%		
	7th Qtr	90%		
	6th Qtr	90%		
	5th Qtr	90%		
	4th Qtr	90%		
	3rd Qtr	90%		
	2nd Qtr	90%		
	1st Qtr	90%		
2007-09	8th Qtr	90%	41%	(49)%
	7th Qtr	90%	53%	(37)%
	6th Qtr	90%	59.5%	(30.5)%
	5th Qtr	90%	73.8%	(16.2)%
	4th Qtr	90%	91.7%	1.7%
	3rd Qtr	90%	92.9%	2.9%
	2nd Qtr	90%	96.4%	6.4%
	1st Qtr	90%	96.4%	6.4%
2005-07	8th Qtr	90%	96.5%	6.5%
	7th Qtr	90%	97.6%	7.6%
	6th Qtr	90%	97.5%	7.5%
	5th Qtr	90%	97.5%	7.5%
	4th Qtr	90%	98.67%	8.67%
	3rd Qtr	90%	97%	7%
	2nd Qtr	90%	92%	2%
	1st Qtr	90%	91%	1%
<p><i>Washington State chartered depository institutions have been negatively impacted by the disruptions in the global credit and capital markets. These disruptions have decreased liquidity and capital sources traditionally available to institutions. At the same time, institutions with significant credit exposure to land development and construction lending have been hurt by the downturn in the Northwest's residential real estate market.</i></p>				

Appropriation Period: 2009-11 Activity Version: 2C - 2009-11 Enacted Recast

Percentage of credit union assets held at institutions with satisfactory ratings.				
Biennium	Period	Target	Actual	Variance
2009-11	8th Qtr	95%		
	7th Qtr	95%		
	6th Qtr	95%		
	5th Qtr	95%		
	4th Qtr	95%		
	3rd Qtr	95%		
	2nd Qtr	95%		
	1st Qtr	95%		
2007-09	8th Qtr	95%	95%	0%
	7th Qtr	95%	93%	(2)%
	6th Qtr	95%	96%	1%
	5th Qtr	95%	93%	(2)%
	4th Qtr	95%	99%	4%
	3rd Qtr	95%	98%	3%
	2nd Qtr	95%	99%	4%
	1st Qtr	95%	99%	4%
2005-07	8th Qtr	95%	98%	3%
	7th Qtr	95%	97%	2%
	6th Qtr	95%	97%	2%
	5th Qtr	95%	97%	2%
	4th Qtr	95%	99%	4%
	3rd Qtr	95%	99%	4%
	2nd Qtr	95%	99%	4%
	1st Qtr	95%	98%	3%
<p><i>Credit unions with unsatisfactory examination ratings have typically experienced asset or earnings difficulties associated with local or national economic conditions. In general, credit unions meet the Federal standard of "Well Capitalized" and have federally insured deposits. We closely supervise credit unions with unsatisfactory exam ratings, require corrective actions, and monitor regulatory required results.</i></p>				

Appropriation Period: 2009-11 Activity Version: 2C - 2009-11 Enacted Recast

Percentage of credit unions with satisfactory examination ratings.				
Biennium	Period	Target	Actual	Variance
2009-11	8th Qtr	85%		
	7th Qtr	85%		
	6th Qtr	85%		
	5th Qtr	85%		
	4th Qtr	85%		
	3rd Qtr	85%		
	2nd Qtr	85%		
	1st Qtr	85%		
2007-09	8th Qtr	85%	77%	(8)%
	7th Qtr	85%	82%	(3)%
	6th Qtr	85%	86%	1%
	5th Qtr	85%	89%	4%
	4th Qtr	82.5%	97%	14.5%
	3rd Qtr	82.5%	97%	14.5%
	2nd Qtr	82.5%	99%	16.5%
	1st Qtr	82.5%	99%	16.5%
2005-07	8th Qtr	80%	99%	19%
	7th Qtr	80%	90%	10%
	6th Qtr	80%	90%	10%
	5th Qtr	80%	90%	10%
	4th Qtr	80%	92%	12%
	3rd Qtr	80%	91%	11%
	2nd Qtr	80%	89%	9%
	1st Qtr	80%	83%	3%
<p><i>Credit unions with unsatisfactory examination ratings have typically experienced asset or earnings difficulties associated with local or national economic conditions. In general, credit unions meet the Federal standard of "Well Capitalized" and have federally insured deposits. We closely supervise credit unions with unsatisfactory exam ratings, require corrective actions, and monitor regulatory required results.</i></p>				

Grand Total

	FY 2010	FY 2011	Biennial Total
FTE's	186.2	186.2	186.2
GFS	\$0	\$0	\$0
Other	\$21,707,000	\$22,490,000	\$44,197,000
Total	\$21,707,000	\$22,490,000	\$44,197,000